

422.11P Biodiesel blended fuel tax credit.

1. As used in this section, unless the context otherwise requires:

a. “Biodiesel blended fuel”, “diesel fuel”, and “retail dealer” mean the same as defined in section 214A.1.

b. “Motor fuel pump” means the same as defined in section 214.1.

c. “Sell” means to sell on a retail basis.

d. “Tax credit” means a biodiesel blended fuel tax credit as provided in this section.

2. The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by the amount of the biodiesel blended fuel tax credit for each tax year that the taxpayer is eligible to claim a tax credit under this subsection.

a. In order to be eligible, all of the following must apply:

(1) The taxpayer is a retail dealer who sells and dispenses biodiesel blended fuel through a motor fuel pump located at a motor fuel site operated by the retail dealer in the tax year in which the tax credit is claimed.

(2) Of the total gallons of diesel fuel that the retail dealer sells and dispenses through all motor fuel pumps located at a motor fuel site operated by the retail dealer during the retail dealer’s tax year, fifty percent or more is biodiesel blended fuel which meets the requirements of this section.

(3) The retail dealer complies with requirements of the department established to administer this section.

b. The tax credit shall apply to biodiesel blended fuel formulated with a minimum percentage of two percent by volume of biodiesel, if the formulation meets the standards provided in section 214A.2.

3. a. The tax credit shall be calculated separately for each retail motor fuel site operated by the retail dealer.

b. The amount of the tax credit is three cents multiplied by the total number of gallons of biodiesel blended fuel sold and dispensed by the retail dealer through all motor fuel pumps located at a retail motor fuel site operated by the retail dealer during the retail dealer’s tax year.

4. Any credit in excess of the retail dealer’s tax liability shall be refunded. In lieu of claiming a refund, the retail dealer may elect to have the overpayment shown on the retail dealer’s final, completed return credited to the tax liability for the following tax year.

5. An individual may claim the tax credit allowed a partnership, limited liability company, S corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual’s earnings of the partnership, limited liability company, S corporation, estate, or trust.

6. This section is repealed January 1, 2012.

2006 Acts, ch 1142, §41, 48, 49; 2007 Acts, ch 161, §17, 22; 2008 Acts, ch 1169, §31, 32, 34, 35; 2008 Acts, ch 1191, §137

For provisions relating to requirements for claiming a biodiesel blended fuel tax credit in calendar year 2006 for a retail dealer whose tax year ends prior to December 31, 2006; and for availability and calculation of the tax credit for calendar year 2011 for a retail dealer whose tax year ends prior to December 31, 2011, see 2006 Acts, ch 1142, §49

2008 amendments to subsections 2 and 3 take effect January 1, 2009, and apply to tax years beginning on or after that date; 2008 Acts, ch 1169, §34, 35; 2008 Acts, ch 1191, §137